

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

LEK SECURITIES CORPORATION,  
SAMUEL LEK,  
VALI MANAGEMENT PARTNERS dba  
AVALON FA LTD,  
NATHAN FAYYER, and  
SERGEY PUSTELNIK a/k/a  
SERGE PUSTELNIK,

Defendants.

CASE NO. 17-CV-1789 (DLC)

**PLAINTIFF SEC'S NOTICE OF  
RECEIPT OF PAYMENTS IN  
PARTIAL SATISFACTION OF  
FINAL JUDGMENT**

Plaintiff Securities and Exchange Commission ("SEC") hereby provides notice of payments that it has received, which have been applied toward the final judgment entered in this case.

1. On April 14, 2020, this Court entered a final judgment ("Final Judgment") against defendants Vali Management Partners dba Avalon FA LTD ("Avalon"), Nathan Fayer ("Fayer") and Sergey Pustelnik a/k/a Serge Pustelnik ("Pustelnik"). ECF No. 580.

2. Among other things, the Final Judgment provided that Avalon, Fayer and Pustelnik were jointly and severally liable for disgorgement of \$4,495,564, plus prejudgment interest of \$131,750, for a total of \$4,627,314. The Final Judgment further ordered Avalon, Fayer and Pustelnik each to pay a civil money penalty in the amount of \$5,000,000.

3. The Final Judgment ordered Lek Securities Corporation ("Lek") to pay to the

SEC money or assets that Lek held in the name of or for the benefit of Avalon, which had been frozen pursuant to this Court's order entered on July 31, 2017 (ECF No. 95). The Final Judgment also ordered the Clerk of Court to transfer to the SEC funds of Avalon that it held in the Registry of the Court, which also had been frozen pursuant to the July 31, 2017 order.

4. The Final Judgment provided that the Avalon funds transferred to the SEC by Lek and by the Clerk of Court would be applied first to the prejudgment interest owed by Avalon, then to the disgorgement owed by Avalon, and that any remaining amounts would be applied to the penalty owed by Avalon. The Final Judgment further provided for the SEC to file a notice of the amounts received from Lek and the Clerk of Court, and the remaining amounts due from Avalon, Fayyer and Pustelnik.

5. The SEC hereby provides notice that it received payment of \$2,633,146.32 from the Clerk of Court on April 28, 2020, and received payment of \$2,650,452.29 from Lek on April 28, 2020. The SEC thus received a total of \$5,283,598.61 from the Clerk of the Court and Lek Securities.

6. The \$5,283,598.61 received by the SEC satisfies the prejudgment interest and disgorgement amounts jointly and severally owed by defendants Avalon, Fayyer and Pustelnik under the Final Judgment, and leaves \$656,284.61 to be applied towards the civil money penalty owed by Avalon. The civil penalty amounts owed by defendants Fayyer and Pustelnik remain due in full.

7. After applying the \$656,284.61 to the \$5,000,000 civil money penalty owed by Avalon, Avalon still owes \$4,343,715.39 of its civil money penalty. Fayyer continues to owe the \$5 million civil money penalty imposed against him by the Final Judgment, and Pustelnik continues to owe the \$5 million civil money penalty imposed against him by the Final Judgment.

The following chart reflects the amounts owed by each of the defendants after the application of the Avalon funds received from Lek and the Clerk of the Court:

	<b>Avalon</b>	<b>Pustelnik</b>	<b>Fayyer</b>
Disgorgement and Prejudgment Interest Still Owed	\$0	\$0	\$0
Penalty Still Owed	\$4,343,715.39	\$5,000,000	\$5,000,000

Dated: May 27, 2020

Respectfully submitted,

/s/ David J. Gottesman

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### **CERTIFICATE OF SERVICE**

I hereby certify that on May 27, 2020, a true and correct copy of the above document was served on all counsel of record by filing this document using the CM/ECF system.

/s/ David J. Gottesman